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SUBJECT: THE U.S. - CANADA BORDER IN 2007: GROUND TRUTH AND
POLICY IMPLICATIONS (PART II OF III - PORTS OF ENTRY,
TRADE, AND THE ENVIRONMENT)

SUMMARY

SENSITIVE BUT UNCLASSIFIED--PLEASE PROTECT ACCORDINGLY.

¶1. (SBU) As part of a year-long effort to "map the border," Mission Canada officers fanned out along the frontier to observe ground truth in how the border functions and how to make it work better. Part I of this three-part series covered our conclusions and recommendations. This message covers reports on ports of entry, trade, and the environment. Message III covers WHTI, law enforcement, and First Nations issues.

PORTS OF ENTRY - A SERIES OF GATES WITH NO FENCES

¶2. (SBU) In September 2004 meetings in Ottawa with U.S. Customs and Border Protection (CBP) counterparts, Canadian Deputy Minister of Public Safety Margaret Bloodworth described the U.S.-Canada border as "a series of gates with no fence between them." This is an apt description of the 5,500 mile border running through land and waterways all the way from the Atlantic Ocean to Alaska. Along this border there are some 120 "gates," or ports of entry, including eight at Canadian airports served by CBP preclearance officers. These ports run the gamut from mammoth facilities staffed by hundreds of personnel, like the Detroit-Windsor crossing, to small shed-like structures where a half-dozen officers (three from each country) share a common inspection area and even joint kitchen facilities.

¶3. (SBU) The U.S. and Canada are attempting to make our ports "smarter" by introducing technology that offers both enhanced security and quicker processing time. Radiation and X-ray portals can conduct an inspection without a physical search. Intelligent Transportation Systems (ITS) are being developed at the ports to link information about incoming and outgoing traffic in order to expedite the flow of traffic. Simple electronic fixes, like lighted arrow signs to direct vehicles to the least congested lanes, or infrastructure innovations like dual-use inspection booths that can handle either trucks or cars depending on traffic volumes at a particular time, have been introduced at many crossings. Larger, more expensive improvements, like adding lanes to existing bridges, expanding truck plazas or building new bridges, such as is contemplated at Detroit-Windsor, are efforts to ensure

that the flow of goods and people is not impeded as volumes of both grow in the future. It will be important to track new infrastructure projects to make sure that they are, in fact, keeping up with increasing demand.

¶4. (SBU) Canadian politicians as well as ordinary citizens have expressed concern over the increased security implemented along the border following 9/11. They frequently talk of a "thickening" of the border, and Canada's 37-member border caucus in Parliament sent a letter to its counterparts in the U.S. expressing dismay that the increasing scrutiny given to those wishing to cross the border to visit family or friends, attend a church service or ball game, or just to buy a pizza, was "diminishing" the relationship between Canadians and Americans. Indeed, for years the residents in the many Qand Americans. Indeed, for years the residents in the many small communities that straddle the border may not have needed to show a border inspector anything more than a wave and a smile to be permitted to cross; now, however, that has changed.

ECONOMY AND TRADE - MAINTAINING PREDICTABLE MARKET ACCESS

¶5. (SBU) With over US DOLS 1.5 billion worth of goods and services moving across the border daily, Canada and the United States are each other's largest customers and biggest suppliers. To put this in perspective, in 2006 Canada exchanged more goods with the U.S. each month than it did with any other country throughout the entire year.

¶6. (SBU) Canada's merchandise trade with the United States totaled US DOLS 507 billion in 2006. By value, this trade was conducted by truck (61 percent), rail 17 percent),

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pipeline (13 percent), air (5 percent), and sea/inland waterways (4 percent). Around 75 per cent of Canada-U.S. trade (in value terms) carried by trucks went through just six border crossing points: the Ambassador Bridge linking Detroit and Windsor; the Peace Bridge linking Buffalo and Fort Erie; the Blue Water Bridge linking Port Huron, Michigan, and Sarnia; Champlain/Lacolle between New York and Quebec; Pembina/Emerson between North Dakota and Manitoba; and Pacific Highway between Washington and British Columbia. The Detroit-Windsor Corridor is the busiest trade artery, accounting for almost 30% of total Canada-U.S. trade.

¶7. (SBU) Given the magnitude of the transborder economic relationship and the high degree of Canadian dependence on the American market, the United States' post-9/11 increased attention to security at the border is a major source of on-going anxiety for Canada's government and business community. Since 2001 maintaining and enhancing secure, predictable access to the United States economy has been a primary objective of Canadian governments. In discussions at the several working groups that meet to discuss border issues and what might happen in the event of a crisis, U.S. officials frequently use the term "business resumption." Canadian officials speak of "business continuation" and are loth to think that the border could ever be fully shut down again as it was in some places in the days immediately after 9/11. Of course, this anxiety regarding keeping the border open, even during an emergency, is shared by many members of the U.S. private sector whose businesses depend on a predictable and uninterrupted supply of raw materials, parts, or finished products from Canada.

¶8. (SBU) As a consequence, any new U.S. policy or action that impacts the border, however seemingly minor, precipitates a massive reaction from government and the private sector. The imposition of the APHIS fees in early 2007 is a case in point with the government in Ottawa and the Canadian Chamber of Commerce, among others, describing the modest fee as potentially the "straw that broke the camel's back." A recent survey of industry by the Conference Board of Canada

found no evidence to suggest that post-9/11 border policies have served to reduce Canadian export volumes to the U.S. Nevertheless, industry representatives and Canadian government officials at the provincial and federal level continue to raise concerns about potential disruptions in trade between the two countries, in the form of security-related delays and increased compliance costs.

¶9. (SBU) Maximizing the free flow of goods, services, and capital with the U.S. (and leveraging that relationship in the global marketplace to enhance Canada's profile and opportunities) is a key priority for Canada. In response to the need to maintain, and indeed enhance the transportation and border infrastructure that supports U.S. - Canada trade, the Canadian government has adopted a "National Policy Framework for Strategic Gateways and Trade Corridors" to guide investment and government action. The Policy Framework also notes that Canada, due to its proximity and access to the United States, could serve as the "platform" to connect North America with the world, for example, via Vancouver Port which has high container capacity and rail connections to the mid-west, south-central and eastern United States. The Policy Framework also pins high hopes on development of the new container port at Prince Rupert, British Columbia, as a transshipment point from which Asian goods will be moved all the way to the Atlantic coast.

TRANSBOUNDARY ENVIRONMENTAL ISSUES - WATER, AIR, WASTE

¶10. (SBU) The U.S. and Canada work closely together to manage transboundary environmental issues. One major instrument of this cooperation is the International Joint Commission (IJC), established as part of the Boundary Waters Treaty of 1909 to resolve differences and promote cooperation on our shared waters. The Great Lakes Water Quality Agreement of 1972, another historic example of joint cooperation, is instrumental in managing the world's largest repository of fresh water, and the U.S.-Canada Air Quality Agreement serves

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as the primary mechanism for binational cooperation to address transboundary air pollution issues.

¶11. (SBU) Notwithstanding the close cooperation and general goodwill, some friction does exist. Current transboundary issues of concern include: a new outlet from Devils Lake in North Dakota which channels water into the Red River system and onward to Manitoba; Ontario's concerns about increasingly poor air quality in southern Ontario, including Toronto, which some claim is largely due to coal-burning power plants in the Ohio River Valley; and the movement of up to 400 truckloads a day of trash from the Greater Toronto Area to Michigan landfills.

¶12. (SBU) This last issue illustrates the complexities of the border relationship and the multiple jurisdictions it involves. Canada and the United States have open borders for waste shipments - which are considered tradeable goods - and waste has flowed across the border in both directions for many years. Figures from the Canadian government as well as from states and provinces show that the United States is a net exporter to Canada of hazardous waste. However, because of plentiful landfill capacity, low-cost disposal options, and existing contractual arrangements, the United States is a much larger net importer from Canada of non-hazardous solid waste.

¶13. (SBU) The influx of waste has been highly controversial, in part because of the limited legal authority of state and local governments to restrict it. Only Congress can authorize restrictions to interstate and international movement of trade, including waste. Nevertheless, Congressional interest in stopping the flow of trash led to a voluntary agreement between Michigan's two Senators and the

Ontario Ministry of the Environment, under which Ontario committed to eliminate shipments of municipally managed waste to Michigan by the end of 2010. While the agreement does not formally bind the United States or Canada or the parties shipping and receiving the waste, or address commercial waste shipments to Michigan, It may reduce the controversy. Also working to defuse the issue is the city of Toronto's recent acquisition of additional landfill capacity in Ontario.

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